

CHAPTER 5

STATEMENT OF NET COST0501 FORMATS FOR THE STATEMENT OF NET COST

Department of Defense	
[Reporting Entity]	
CONSOLIDATED STATEMENT OF NET COST	
For the year ending September 30, 1999	
(\$ in Thousands)	
	<u>FY</u>
	<u>1999</u>
1. Program Costs	
A. Intragovernmental	\$ 777,777
B. With the Public	999,999
C. Total Program Cost	\$ 1,777,776
D. (Less: Earned Revenues)	(677,778)
E. Net Program Costs	\$ 1,099,998
2. Costs not assigned to Programs	300,000
3. (Less: Earned Revenues not attributable to Programs)	(30,000)
4. Net Cost of Operations	\$ 1,369,998
5. Deferred Maintenance (See Required Supplementary Information)	
Additional information included in Note 16.	
The accompanying notes are an integral part of these statements.	

Figure 5-1

Department of Defense**[Reporting Entity]****CONSOLIDATING STATEMENT OF NET COST****For the year ending September 30, 1999****(\$ in Thousands)**

	Sub- Entity A	Sub- Entity B	Other Sub- entities	Combined Total
1. Program Costs				
A. Program A				
1. Intragovernmental	\$ 111,111	\$ 111,111	\$ 111,111	\$ 333,333
2. With the Public	111,111	111,111	111,111	333,333
3. Total Program Cost	\$ 222,222	\$ 222,222	\$ 222,222	\$ 666,666
4. (Less: Earned Revenues)	(100,000)	(100,000)	(100,000)	(300,000)
5. Net Program Costs	\$ 122,222	\$ 122,222	\$ 122,222	\$ 366,666
B. Program B				
1. Intragovernmental	\$ 111,111	\$ 111,111	\$ 111,111	\$ 333,333
2. With the Public	111,111	111,111	111,111	333,333
3. Total Program Cost	\$ 222,222	\$ 222,222	\$ 222,222	\$ 666,666
4. (Less: Earned Revenues)	(100,000)	(100,000)	(100,000)	(300,000)
5. Net Program Costs	\$ 122,222	\$ 122,222	\$ 122,222	\$ 366,666
C. Other Programs				
1. Intragovernmental	\$ 111,111	\$ 111,111	\$ 111,111	\$ 333,333
2. With the Public	111,111	111,111	111,111	333,333
3. Total Program Cost	\$ 222,222	\$ 222,222	\$ 222,222	\$ 666,666
4. (Less: Earned Revenues)	(100,000)	(100,000)	(100,000)	(300,000)
5. Net Program Costs	\$ 122,222	\$ 122,222	\$ 122,222	\$ 366,666

Figure 5-2

Department of Defense [Reporting Entity] CONSOLIDATING STATEMENT OF NET COST For the year ending September 30, 1999 (\$ in Thousands)						
	Sub- Entity A	Sub- Entity B	Other Sub- Entities	Combined Total	(Intra- Entity Eliminations)	Consolidated Totals
D. Total Program Costs						
1. Intragovernmental	\$ 333,333	\$ 333,333	\$ 333,333	\$ 999,999	(222,222)	\$ 777,777
2. With the Public	<u>333,333</u>	<u>333,333</u>	<u>333,333</u>	<u>999,999</u>	<u>0</u>	<u>999,999</u>
3. Total Program Cost	\$ 666,666	\$ 666,666	\$ 666,666	\$ 1,999,998	\$ (222,222)	\$ 1,777,776
4. (Less: Earned Revenues)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(900,000)</u>	<u>222,222</u>	<u>(677,778)</u>
5. Net Program Costs	<u>\$ 366,666</u>	<u>\$ 366,666</u>	<u>\$ 366,666</u>	<u>\$ 1,099,998</u>	<u>\$ 0</u>	<u>\$ 1,099,998</u>
2. Costs not assigned to Programs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	(25,000)	\$ 275,000
3. (Less: Earned Revenues not attributable programs)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(30,000)</u>	<u>25,000</u>	<u>(5,000)</u>
4. Net Cost of Operations	<u>\$ 456,666</u>	<u>\$ 456,666</u>	<u>\$ 456,666</u>	<u>\$ 1,369,998</u>	<u>\$ 0</u>	<u>\$ 1,369,998</u>
5. Deferred Maintenance (See Required Supplementary Information)						
Additional information included in Note 16.						
The accompanying notes are an integral part of these statements.						

Figure 5-2 (Cont.)

0502 INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENTS OF NET COST050201. General Instructions.

★A. Statement of Net Cost Format. The Statement of Net Cost is designed to show separately the components of the net cost of the reporting entity's operations for the period. Formats are displayed using notional data to assist the user. All figures used on this financial statement should be preclosing trial balances.

★B. Total Program Costs. Net cost of operations is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. The gross cost of a program consists of the full cost of the outputs produced by that program plus any nonproduction costs that can be assigned to the program. Nonproduction costs are costs linked to events other than the production of goods and services. The net cost of a program consists of gross cost less related exchange revenues. By disclosing the gross and net cost of the entity's programs, the Statement of Net Cost provides information that can be related to the outputs and outcomes of the programs and activities.

C. Complex Entities. The organizational structure and operations of some entities are so complex that to fully display their suborganizations' major programs and activities may require supporting schedules to supplement the information in the Statement of Net Cost. The Department breaks out Components into the reporting entities described in Chapter 1, Section 0106. The Components further break out the consolidating statement as appropriate. Additional supporting schedules may be included in Note 16.A. if necessary.

★D. GPRA Programs. The Department is in the process of identifying the Government Performance and Results Act (GPRA) performance measures based on missions and outputs. However, the Department does not accumulate costs for major programs based on GPRA performance measures, in part because it's financial processes and systems do not collect costs in line with newly established measures. Accordingly, the Department plans to break out programs by the nine major appropriation groupings addressed in paragraph 050302 and Table 5-1 of this Volume. Present programs vertically down one column. The Department of Defense (DoD) Agency-wide consolidating net cost statement should present program appropriation groupings vertically down and suborganizations horizontally (see figure 5-2).

★E. FY 1999 Programs. Ultimately, preparers of the Statement of Net Cost will decide the exact classification of suborganizations and major programs based on the missions and outputs described in its GPRA strategic and annual plans, the entity's budget structure, and the guidance for defining and structuring responsibility segments presented in Statements of Federal Financial Accounting Standards (SFFAS) No. 4, "Managerial Cost Accounting Standards." However, if data is currently available, at the program level, the reporting entities may provide such information as a supplemental schedule.

F. Reportable Costs. The Statement of Net Cost and related supporting schedules should show the net cost of operations for the reporting entity as a whole and its suborganizations and programs. This can be accomplished by reporting by program: (1) the gross cost of goods; services provided to the public and government agencies (intragovernmental) at a price, (2) related exchange revenues, (3) the excess of costs over exchange revenues (net program costs), and (4) the gross cost of goods, services, transfers and grants provided to the public and government agencies without charge, and by reporting for the suborganization or entity as a whole the costs that cannot be assigned to specific outputs or programs and the exchange revenues that cannot be attributed to specific outputs or programs.

G. Illustrated Format. The Statement of Net Cost illustrated in this document provides an example of how information can be displayed for an entity with a complex organizational and program structure, a limited number of programs carried out by more than one suborganization, and the majority of its programs carried out within a specific suborganization or responsibility segment.

★H. Imputed Costs. Costs displayed on the Statement of Net Cost must include imputed costs. Imputed costs represent costs that are paid in total or in part by other entities. Imputed costs are to be recognized to the extent that the SFFAS No. 4. requires them to be recognized in financial statements. For example, reporting entities shall recognize the cost of pensions and other retirement benefit expenses in their financial statements. The amount recognized shall equal the service costs of their employees for the accounting period, less amounts contributed by the employees. However, for FY 1999, the Office of Management and Budget (OMB) memorandum, dated April 2, 1998, specifically limits the recognition of imputed costs to four categories. The four categories are: (1) employees' pension benefits; (2) the health, life insurance, and other benefits for retired employees; (3) other post-employment benefits for retired, terminated, and inactive employees, which include severance payments, training and counseling, and continued health care; and (4) losses in litigation proceedings related to the Judgement Fund not reimbursed by the Department. See Federal Accounting Standards Advisory Board interpretation No. 2., "Accounting for Treasury Judgement Fund Transactions" for additional information.

1. Imputed Costs for Pension Expense. Each of the DoD Components shall recognize an imputed cost that is equal to the reported employer entity pension expense for the accounting period (as computed using factors provided by the Office of the Under Secretary of Defense (Personnel and Readiness) (OUSD(P&R))), less any accounting period contributions by the Military Departments to the Military Retirement Trust Fund. Imputed revenue and imputed expense for military pension reported in the Military Department financial statements audited reports shall be eliminated in the DoD Agency-wide financial report. The administrative entity expenses shall be reported only in the Military Retirement Trust Fund financial statements audited report.

2. Imputed Costs for Military Health Benefits. Each Military Department shall recognize imputed costs that are equal to the employer entity expense for the military health benefits that is attributable to the Military Department (as computed using factors

provided by the USD(P&R)) for the accounting period. Imputed revenue and imputed expense for military health benefits reported in the Military Department financial statements audited reports shall be eliminated in the DoD Agency-wide financial report. The administrative entity for the military health benefits is the USD(P&R). The administrative entity actual expenses shall only be reported in the DoD Agency-wide (Other Defense Organizations, General Funds) financial statements audited report.

050202. Line Item Instructions. In addition to the narrative below see the general ledger crosswalk in paragraph 0504 for a description of the accounts and attributes applicable to each line item.

★A. Program Costs – Line 1. This line contains costs that include the full costs of the program outputs and consist of the direct costs and all other costs that can be directly traced, assigned on a cause and effect basis, or reasonably allocated to the program outputs. Program costs also include any nonproduction costs that can be assigned to the program but not to its outputs. The costs of program outputs shall include the costs of services provided by other entities whether or not the providing entity is fully reimbursed. See SFFAS No. 4., “Managerial Cost Accounting Concepts and Standards,” for a detailed discussion of full costs and interentity costs. The DoD has elected not to apply the full costing concept to selected programs (e.g., Base Realignment and Closure, environmental cleanup). The costs for these items are included with the reporting entities that receive the funding.

★1. Nonproduction Costs. OMB guidance requires nonproduction costs associated with programs to be separately reported. Therefore, for each, program the total nonproduction cost should be identified in Note 16 J. In addition, the costs listed below shall be disclosed separately from other nonproduction costs, in Note 16, if incurred:

a. National Defense PP&E. The cost of acquiring, constructing, improving, reconstructing, or renovating National Defense property, plant, and equipment.

b. Heritage Assets. The cost of acquiring, constructing, improving, reconstructing, or renovating heritage assets.

★c. Stewardship Land. The full acquisition cost of acquiring stewardship land.

★d. Imputed Expense. The expenses imputed to the entity.

★e. Other Nonproduction Costs. Agencies should consider differentiating other significant costs if by doing so the usefulness of the statements would be improved either because the amount of a particular cost is large or because of its special nature. For example, when reporting on a program that makes transfer payments, it may be useful to differentiate between the transfer payments and administrative costs. Components of Other

Nonproduction costs are considered significant if the component represents more than 10 percent of the value of the line.

★2. Intragovernmental – Line 1.A. This line contains costs that arise from the purchase of goods or services from other federal reporting entities. The effects of intraentity business transactions are eliminated in the reporting entity statements; and the effects of inter-federal agency business transactions must be identified and reported to the Department of the Treasury, Financial Management Service via the Federal Agencies' Centralized Trial-Balance System (FACTS). See Chapter 13 of this Volume for elimination reporting requirements.

★3. With the Public – Line 1.B. This line contains costs that arise from payments made for goods and services provided by the public, such as contracted services, military/civilian pay and benefits, and purchases.

4. Total Program Cost – Line 1.C. Sum of lines 1.A. and 1.B.

★5. Less: Earned Revenues – Line 1.D. This line contains revenues that are exchange revenues, which arise when a federal entity provides goods and services to the public or to another government entity for a price. The full amount of exchange revenues is to be reported on the Statement of Net Cost or supplementary schedule, regardless of whether the entity is permitted to retain the revenues in whole or in part. Any portion of exchange revenues of the entity that cannot be retained by the entity is reported as a transfer-out on the Statement of Changes in Net Position. An example is interest earned collected on delinquent receivables transferred out to Treasury upon collection. See Chapter 13 of this Volume for elimination reporting requirements.

a. Earned revenue should be deducted from the full cost of outputs or outcomes to determine their net cost unless it is not practical or reasonably possible to do so. If that cannot be done, earned revenue should be deducted from the gross cost of programs to determine the net program costs or, if that is not practical or reasonably possible, from the costs of suborganizations to determine the suborganization's net cost of operations.

b. There are no precise guidelines to determine the degree to which earned revenue can reasonably be attributed to outputs, outcomes, programs, or suborganizations. The attribution of earned revenues requires the exercise of managerial judgment. In exercising this judgment, it is important to provide readers of the Statement of Net Cost with the ability to ascertain whether exchange revenues are sufficient to cover the costs incurred to produce the goods or services involved.

★6. Net Program Costs – Line 1.E. Line 1.C. plus line 1.D. This line is the difference between a program's gross costs and its related exchange revenues. If a program does not earn any exchange revenue, there is no netting and the term used might be "total program costs."

★B. Costs Not Assigned to Programs – Line 2. A reporting entity and its suborganizations may incur (1) high level general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to segments and their outputs, and (2) nonproduction costs that cannot be assigned to a particular program. These costs are part of the entity and suborganization costs and should be reported on the Statement of Net Cost as “costs not assigned to programs.” Also, include extraordinary items (gains/losses) on this line and if material disclose in Note 16. A material component is any component that represents more than 10 percent of the value of the line.

C. Less: Earned Revenues Not Attributable to Programs – Line 3. Earned revenue that cannot be attributable to particular outputs or programs should be reported separately as a deduction in arriving at net cost of operations of the suborganization or reporting entity as a whole.

D. Net Cost of Operations – Line 4. This line is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. This amount represents the net cost of a suborganization or entity that is funded by sources other than exchange revenues. The financing sources for net cost of operations are reported on the Statement of Changes in Net Position. See Appendix B for required reconciliation.

E. Deferred Maintenance – Line 5. Deferred maintenance is maintenance that was not performed when it should have been or was scheduled to be performed and is delayed until a future period. Maintenance includes preventative maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life. No amount shall be recognized on the Statement of Net Cost for deferred maintenance. However, the statement will refer the reader to required supplemental information related to deferred maintenance. For FY 1999, the reference for deferred maintenance is shown below the computation of the net cost of operations, due to programming problems, even though the cost of deferred maintenance would impact net cost of operations if recorded. For FY 2000, the reference to the deferred maintenance Required Supplementary Information will be shown above the net cost of operations calculation.

★0503 PROGRAM PRESENTATION

★050301. Government-wide Implementation of Public Law 103-62. GPRA performance measures are required for FY 1999. However, the Department does not accumulate costs for major programs based on GPRA performance measures, in part because its financial processes and systems do not collect costs in line with newly established GPRA performance measures.

★050302. The DoD Agency-wide Program Presentation. The program data provided on the Statement of Net Costs for the consolidated DoD Agency-wide financial statements will be reported by major appropriation grouping until its financial processes and systems are upgraded. The appropriation groups to be reported are: (1) Military Personnel; (2) Operation

and Maintenance; (3) Procurement; (4) Research, Development, Test and Evaluation; (5) Military Construction/Family Housing; (6) Military Retirement Trust Fund; (7) Civil Works; (8) Working Capital Funds (WCF); and (9) Other Programs. The appropriations to be included in each group are identified in Table 5-1.

★050303. Department of Defense Reporting Entities. Management of the DoD reporting entities identified in paragraphs 010601 may report the program distribution of net costs by existing entity program units or by appropriation grouping as specified in paragraph 050302. However, if management chooses a program distribution other than by the appropriation group as in paragraph 050302, a supplemental Statement of Net Costs by appropriation grouping must be provided. This supplemental schedule is required in order to prepare the consolidated DoD Agency-wide Statement of Net Costs. The appropriation groupings in the supplemental schedule must conform to the grouping identified in Table 5-1.

★DEPARTMENT OF DEFENSE AGENCY-WIDE NET COST PROGRAM
PRESENTATION

PROGRAM TITLE	APPROPRIATION ACCOUNTS COMPRISING EACH PROGRAM GROUP
Military Personnel	
	21*2010, Military Personnel, Army
	21*2060, National Guard Personnel, Army
	21*2070, Reserve Personnel, Army
	17*1105, Military Personnel, Marine Corps
	17*1108, Reserve Personnel, Marine Corps
	17*1405, Reserve Personnel, Navy
	17*1453, Military Personnel, Navy
	57*3500, Military Personnel, Air Force
	57*3700, Reserve Personnel, Air Force
	57*3850, National Guard Personnel, Air Force
Operation and Maintenance	
	★21^2020, Operation and Maintenance, Army
	21*2065, Operation and Maintenance, Army National Guard
	21*2080, Operation and Maintenance, Army Reserve
	★21*7025, Operation and Maintenance, Family Housing, Army
	17*1106, Operation and Maintenance Marine Corps,
	17*1107, Operation and Maintenance, Marine Corps Reserve
	17*1804, Operation and Maintenance, Navy
	17*1806, Operation and Maintenance, Navy Reserve
	★17*0703C, Operation and Maintenance, Family Housing, Navy and Marine Corps
	57*3400, Operation and Maintenance, Air Force
	57*3740, Operation and Maintenance, Air Force Reserve
	57*3840, Operation and Maintenance, Air National Guard
	★57*7045, Operation and Maintenance, Family Housing, Air Force
	★97^0100, Operations and Maintenance, Defense-wide
	★97*0107, Operations and Maintenance, Office of the Inspector General, Defense
	97* 0130, Defense Health Program, Defense
	★Include all supplemental appropriations for this category
Procurement	
	21*2031, Aircraft Procurement, Army
	21*2032, Missile Procurement, Army
	21*2033, Procurement of Weapons and Tracked Combat Vehicles, Army
	21*2034, Procurement of Ammunition, Army

Table 5-1

PROGRAM TITLE	APPROPRIATION ACCOUNTS COMPRISING EACH PROGRAM GROUP
	21*2035, Other Procurement, Army
	17*1109, Procurement, Marine Corps
	17*1506, Aircraft Procurement, Navy
	17*1507, Weapons Procurement, Navy
	17*1508, Procurement of Ammunition, Navy and Marine Corps
	★17*1611, Shipbuilding and Conversion, Navy
	17*1810, Other Procurement, Navy
	17X4557 National Defense Sealift Fund
	17*4557 National Defense Sealift Fund
	57*3010, Aircraft Procurement, Air Force
	57*3011, Procurement of Ammunition, Air Force
	57*3020, Missile Procurement, Air Force
	57*3080, Other Procurement, Air Force
	97*0300, Procurement, Defense-wide
	97*0350, National Guard and Reserve Equipment, Defense
	★Include all supplemental appropriations for this category
Research, Development, Test & Evaluation (RDT&E)	
	21*2040, RDT&E, Army
	17*1319, RDT&E, Navy
	57*3600, RDT&E, Air Force
	97*0400, RDT&E, Defense-wide
	97*0450, Development Test and Evaluation, Defense-wide
	97*0460, Operational, Test, and Evaluation
	Include all supplemental appropriations for this category
Military Construction	
	21*2050, Military Construction, Army
	21*2085, Military Construction, Army National Guard
	21*2086, Military Construction, Army Reserve
	★21*7020, Family Housing, Army
	17*1205, Military Construction, Navy
	17*1235, Military Construction, Naval Reserve
	★17*0703 A and D, Family Housing, Navy
	★57*3300, Military Construction, Air Force
	57*3730, Military Construction, Air Force Reserve
	57*3830, Military Construction, Air National Guard
	★57* 7046, Family Housing, Air Force
	97*0500, Military Construction, Defense-wide
	★97*0706, Family Housing, Defense-Wide
	★Include all supplemental appropriations for this category
Military Retirement Trust Fund	
	97X8097, Military Retirement Trust Fund
Civil Works	
	All Treasury Index 96 accounts

Table 5-1 (Cont.)

PROGRAM TITLE	APPROPRIATION ACCOUNTS COMPRISING EACH PROGRAM GROUP
	Executive agency for Treasury index 20X8861, Inland Waterways Trust Fund and 20X8863, Harbor Maintenance Trust Fund
	All Treasury Index 96 Accounts
	Executive agency for Treasury index 20X8861, Inland Waterways Trust Fund and 20X8863, Harbor Maintenance Trust Fund
Working Capital Funds	
	97X4930.01, Army WCF
	97X4930.02, Navy WCF
	97X4930.03, Air Force WCF
	★97X4930.04, Defense Commissary Agency
	97X4930.05, Defense Logistics Agency WCF
	97X4930.05, DFAS WCF
	★97X4930.05, U.S. Transportation Command
	★97X4930.05, Joint Logistics Systems Center
	★97X4930.05, MSSO/CIM
	★97X4930.05, Defense Information Systems Agency
	★97X4930.05, Defense Technical Information Services
	★97X4930.05, Defense Security Services
	★97X4930.05, Headquarters Account
	★97X4930.05, Component Level Adjustment
Other Programs	
	All other appropriations and funds not listed in another program.

Table 5-1 (Cont.)

NOTE: Include all current and expired fiscal years of appropriations and revolving funds shown with a caret (^) in the third position of the appropriation symbol.

0504 GENERAL LEDGER CROSSWALK FOR THE STATEMENT OF NET COST

The following provides an explanation of the information included in the columns of the crosswalk (all balances are preclosing balances):

050401. Column (1) represents the line number on the statement.

050402. Column (2) identifies the title of the line number on the statement.

050403. Column (3) reflects the U.S. Government General Ledger Account numbers included on each line of the statement.

050404. Column (4) identifies the title of the general ledger account.

050405. Column (5) identifies the segment of the account balance that is applicable to each report line. (G = Government, NG = Non-Governmental (Public), G/NG = Government/Non-Government, and CNATP = Cost Not Assigned To Programs). Note: In addition to the breakout of account balances identified in column 5, when amounts include transactions between reporting entities, the account must be broken out by trading partner. Identifying codes for other federal agency trading partners are provided in Table 4-3.

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Net Cost Title	Account No.	Account Title	Additional Detail Required
1.	Program Costs			
★1.A.	Intragovernmental	6100	Operating Expenses/Program Costs	G Report Stewardship costs separately.
		6190	Contra Bad Debts Expense – Incurred for Others	G
		6199	Adjustment to Subsidy Expense	G
		6310	Interest Expenses on Borrowing from Treasury	G

Table 5-2

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Net Cost Title	Account No.	Account Title	Additional Detail Required
1.A.	Intragovernmental (Cont.)	6320	Interest Expenses on Securities	G
		6330	Other Interest Expense	G
		6400	Benefit Program Expenses	G
				Funded/Unfunded.
★		6500	Cost of Goods or Services Sold	G
		6600	Applied Overhead	G
★		6720	Bad Debt Expense	G
		6730	Imputed Costs	G
		6790	Other Expenses Not Requiring Budgetary Resources	G
		6800	Future Funded Expenses	G
		7110	Gains on Disposition of Assets	G
		7190	Other Gains	G
				Exchange.
		7210	Losses on Disposition of Assets	G
		7290	Other Losses	G
				Exchange.
★		7300	Extraordinary Items	G
		7500	Distribution of Income – Dividend	G
				Exchange.
★		7600	Changes in Actuarial Liability	G
		6900	Nonproduction Costs	G
				Report stewardship costs separately.
★1.B.	With the Public	6100	Operating Expenses/Program Costs	NG
		6190	Contra Bad Debts Expense - Incurred for Others	NG
		6320	Interest Expenses on Securities	NG
		6330	Other Interest Expenses	NG

Table 5-2 (Cont.)

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Net Cost Title	Account No.	Account Title	Additional Detail Required
1.B.	With the Public (Cont.)	6400	Benefit Program Expenses	NG Funded/Unfunded.
		6500	Cost of Goods or Services Sold	NG
		6600	Applied Overhead	NG
		6710	Depreciation, Amortization, and Depletion	NG
		6720	Bad Debt Expense	NG
		6790	Other Expenses Not Requiring Budgetary Resources	NG
		6800	Future Funded Expenses	NG
		7110	Gains on Disposition of Assets	NG
		7190	Other Gains	NG Exchange.
		7210	Losses on Disposition of Assets	NG
		7290	Other Losses	NG Exchange.
		7300	Extraordinary Items	NG
		7500	Distribution of Income – Dividend	NG
		7600	Changes in Actuarial Liability	NG
★		6900	Nonproduction Costs	NG Report stewardship costs separately.
★1.C.	Total Program Cost		Calculation (Line 1.A. plus Line 1.B.)	
1.D.	Less Earned Revenues	5100	Revenue from Goods Sold	G/NG
		5109	Contra Revenue for Goods Sold	G/NG
		5200	Revenue from Services Provided	G/NG
		5209	Contra Revenue for Services Provided	G/NG
		5310	Interest Revenue	G/NG Exchange.

Table 5-2 (Cont.)

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Net Cost Title	Account No.	Account Title	Additional Detail Required
1.D.	Less Earned Revenues	5319	Contra Revenue for Interest	G/NG Exchange.
		5400	Benefit Program Revenue	G/NG
		5409	Contra Revenue for Benefit Program Revenue	G/NG
		5500	Insurance and Guarantee Premium Revenue	G/NG
		5509	Contra Revenue for Insurance and Guarantee Premium Revenue	G/NG
		5900	Other Revenue	G/NG Exchange.
		5909	Contra Revenue for Other Revenue	G/NG Exchange.
1.E.	Net Program Costs		Calculation (Line 1.C. plus Line 1.D.)	
★2.	Costs Not Assigned to Programs	6400	Benefit Program Expenses	CNATP Funded/unfunded .
★		6900	Non Production Costs	CNATP
		7110	Gains on Disposition of Assets	CNATP
		7190	Other Gains	CNATP Exchange.
		7210	Losses on Disposition of Assets	CNATP
		7290	Other Losses	CNATP Exchange.
		7300	Extraordinary Items	CNATP
		7500	Distribution of Income – Dividend	CNATP
		7600	Changes in Actuarial Liability	CNATP
3.	Less Earned Revenues Not Attributable to Programs	5310	Interest Revenue	Exchange revenue not attributable to programs.

Table 5-2 (Cont.)

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Net Cost Title	Account No.	Account Title	Additional Detail Required
3.	Less Earned Revenue Not Attributable to Programs (Cont.)	5319	Contra Revenue for Interest	Exchange revenue not attributable to programs.
		5900	Other Revenue	Exchange revenue not attributable to programs.
		5909	Contra Revenue for Other Revenue	Exchange revenue not attributable to programs.
4.	Net Cost of Operations		Calculation (Line 1.E. plus line 2 plus line 3)	

Table 5-2 (Cont.)